

Message Text

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SUBJ: GOP SEEKS TO REASSURE BUSINESS OVER NATIONALIZATION

REF: MANILA 6719

1. IN THE WAKE OF THE CHAMBER OF COMMERCE PROPOSAL THAT THE GOP NATIONALIZE THE OIL INDUSTRY (REFTEL), THE GOP HAS SOUGHT TO REASSURE BUSINESSMEN THAT IT WAS NOT RPT NOT ABOUT TO EMBARK ON A PROGRAM OF NATIONALIZATION.

2. BOI CHAIRMAN AND SECRETARY OF INDUSTRY VICENTE PATERNO, SPEAKING MAY 21 AT THE NATIONAL BUSINESS CONFERENCE SPONSORED BY THE CHAMBER OF COMMERCE, STATED THAT THE GOP WILL NOT TAKE OVER ANY PRIVATE ENTERPRISE EXCEPT FOR TWO REASONS. ONE, WHEN BUSINESS IS UNWILLING OR INCAPABLE OF UNDERTAKING A VITAL BUSINESS ENTERPRISE. PATERNO MENTIONED A FERTILIZER PLANT, AN INTEGRATED STEEL COMPLEX, AND A COPPER SMELTER AS PROJECTS WHICH THE GOP WILL HAVE TO UNDERTAKE. SECOND, WHEN AN INDUSTRY OR ENTERPRISE IS CONSIDERED QUOTE STRATEGIC

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OR VITAL UNQUOTE TO THE NATIONAL WELFARE, AS IN THE CASE

OF THE RECENT GOP PURCHASE OF LUZON STEVEDORING CORPORATION (LUSTEVECO). THIS PURCHASE, PATERNO SAID, QUITE IS ESSENTIAL TO THE SECURITY OF OUR COUNTRY. UNQUOTE

3. PRESIDENT MARCOS SPOKE MAY 23 AT THE CHAMBER-SPONSORED CONFERENCE, AND WHILE HIS SPEECH WAS A MAJOR FOREIGN POLICY ADDRESS, THE PRISIDENT INSERTED THE REASSURING NOTE THAT QUOTE WHILE IN CERTAIN CASES IT MAY BE NECESSARY FOR GOVERNMENT TO TAKE OVER CERTAIN AREAS OF ECONOMIC ACTIVITY, BY AND LARGE IT IS BEST THAT THE PRIVATE SECTOR BE ALLOWED FREE ENTERPRISE WITH THE ATMOSPHERE SET BY THE GOVERNMENT AND THE INITIATIVE LEFT TO PRIVATE INDIVIDUALS. UNQUOTE

4. THERE HAVE BEEN ONLY TWO STORIES IN THE PRESS SINCE THE CHAMBER PROPOSAL TO NATIONALIZE THE OIL INDUSTRY WAS REPORTED ON MAY 16. DAILY EXPRESS ON MAY 17 REPORTED THAT THE PHILIPPINE LABOR COORDINATING CENTER WAS URGING PRESIDENT MARCOS TO IMMEDIATELY NATIONALIZE THE OIL COMPANIES IN THE INTEREST OF NATIOAL WELFARE. BUSINESS DAY ON MAY 19 QUOTED BOI CHAIRMAN PATERNO AS QUESTIONING WHETHER CHAMBER PROPOSAL WAS SERIOUS. PATERNO REPORTEDLY ALSO SAID HE FOUND IT STRANGE FOR THE CHAMBER TO BE BATTING FOR NATIONALIZATION, WHILE THERE ARE QUOTE MORE GOOD POINTS UNQUOTE IN FILIPINIZATION.

5. NATURE OF ARTICLES INDICATES THAT OTHER PAPERS AND REPORTERS, AFTER HAVING BEEN SCOOPED BY BULLETIN TODAY, MERELY FOUND WAYS OF RE-WRITING PHILIPPINE CHAMBER OF COMMERCE PROPOSAL AND GAVE THEREBY AN INITIAL APPEARANCE OF A CAMPAIGN. NO STORIES HAVE APPEARED SINCE THEN, HOWEVER, AND WITH ASSURANCES FROM PRESIDENT AND PATERNO, GOP HAS APPARENTLY DECIDED TO PUT CLAMP ON FURTHER DISCUSSION IN ORDER TO ALLAY APPREHENSION OF BUSINESSMEN. AS FOR OIL COMPANIES THEMSELVES, TALK OF NATIONALIZATION IS NOT THE PROBLEM. WHAT REALLY CONCERNS THEM IS THE PROSPECTIVE PROFIT OUTLOOK AS RESULT OF RECENT HALF-HEARTED PRICE INCREASES GRANTED BY OIL INDUSTRY COMMISSION.
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